

COUNTY OF LOS ANGELES

MARVIN J. SOUTHARD, D.S.W.
Director

ROBIN KAY, Ph.D.
Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director



BOARD OF SUPERVISORS

GLORIA MOLINA
MARK RIDLEY-THOMAS
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DEPARTMENT OF MENTAL HEALTH

<http://dmh.lacounty.gov>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 738-4601
Fax: (213) 386-1297

June 04, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL TO EXTEND THE TERM OF 34 EXPIRING LEGAL ENTITY AGREEMENTS FOR
FISCAL YEAR 2013-14 TO PROVIDE FOR CONTINUOUS AND UNINTERRUPTED MENTAL
HEALTH SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to extend for one year the term of 34 Legal Entity Agreements due to expire on June 30, 2013, so as to provide continuous and uninterrupted mental health services, pending anticipated changes to the agreement required for implementation of the Affordable Care Act.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Director of Mental Health (Director), or his designee, to prepare, sign, and execute amendments, substantially similar to Attachment A, to extend the term of Department of Mental Health (DMH) Legal Entity (LE) Agreements with 34 contract providers for Fiscal Year (FY) 2013-14, as listed in Attachment B, for the provision of mental health services. The Maximum Contract Amount (MCA) for each of the 34 LE Agreements is listed in Attachment B and totals \$202,498,037. The term of these LE Agreements will be effective July 1, 2013, through June 30, 2014.
2. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments to these LE Agreements, provided that: 1) the County's total payments to a Contractor under each LE Agreement do not exceed a 20 percent increase from the applicable Board-approved annual MCA, as indicated in Attachment B, or the Institutions for Mental Diseases per diem rate increase does not exceed the rates established by the State; 2) any such increase is used to provide

additional services, or to reflect program and/or policy changes; 3) your Board has appropriated sufficient funds for all changes; 4) approval by County Counsel, or his designee, is obtained prior to any such amendment; 5) County and Contractor may, by written amendments, reduce programs or services and revise the applicable MCA, provided that any amendments which reduce programs or services will be consistent with the principles agreed to in DMH's stakeholders' process; and 6) the Director notifies your Board and the Chief Executive Officer (CEO) of agreement changes in writing within 30 days after execution of each amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Board approval of the recommended actions will allow DMH to extend the term of these 34 LE Agreements which are due to expire on June 30, 2013. Extension of the term of these agreements is necessary to provide continuous, uninterrupted mental health services to severely and persistently mentally ill adults, seriously emotionally disturbed (SED) children, adolescents, and their families throughout the County of Los Angeles. With the pending implementation of the Affordable Care Act, DMH anticipates that numerous changes in existing LE Agreement language will be required to align with new programmatic requirements. As many aspects of the Affordable Care Act implementation have yet to be finalized, DMH is unable to effect required changes at this time. DMH will return to your Board at a later date to supersede these and its other LE Agreements when the changes are finalized.

Implementation of Strategic Plan Goals

The recommended actions support the County's Strategic Plan Goal 3, Integrated Services Delivery.

FISCAL IMPACT/FINANCING

The FY 2013-14 annual MCAs for each LE Agreement are shown on Attachment B, totaling \$202,498,037 and are based on the amounts included in the FY 2013-14 Recommended Budget funded from the following sources:

1) State Mental Health Services Act Revenue	\$ 45,600,606
2) Federal Revenues	\$ 88,251,720
3) Intrafund Transfers	\$ 8,252,120
4) 2011 Realignment-AB 109	\$ 664,000
5) NCC/2011 Realignment	\$ 59,729,591
Total	\$ 202,498,037

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

These LE Agreements with the mental health services contractors provide for a broad range of mental health services to severely and persistently mentally ill adults, SED children, adolescents, and their families, pursuant to the California Welfare and Institutions Code Section 5600 et seq. These mental health services include, but are not limited to, diagnosis, evaluation, treatment, day care, respite care, living arrangements, community skill training, referrals, consultation, and community services.

The amendment format has been approved as to form by County Counsel. Clinical and administrative staff of DMH will continue to administer and monitor these agreements, evaluate programs to ensure that quality services are being provided to clients, and ensure that agreement provisions and Departmental policies are being followed.

Attachment A is the amendment format extending the term of the 34 LE Agreements effective July 1, 2013, through June 30, 2014. Attachment B, specifies, for each of the 34 LE Agreements, the name of the service provider, Supervisorial District, term of agreement and MCA.

In accordance with your Board Policy Manual, Section 5.120, Authority to Approve Increases to Board Approved Contract Amounts requirements, DMH notified your Board on May 1, 2013 (Attachment C), identifying and justifying the need for requesting a percentage increase exceeding 10 percent that has been reviewed by the CEO.

CONTRACTING PROCESS

All of the 34 LE Contractors have existing agreements with DMH that will expire on June 30, 2013, and the terms of these LE Agreements are being extended because of the continued need for their services. Additionally, DMH anticipates making numerous changes to these LE Agreements as DMH implements the Affordable Care Act. As a result, DMH will return to your Board at a later date to supersede these and its other LE Agreements to implement those changes. As mandated by your Board, the performance of all contractors is evaluated by DMH on an annual basis to ensure the contractors' compliance with all contract terms and performance standards.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The extension of the term of these LE Agreements will allow for continued and uninterrupted mental health services to existing mental health clients throughout Los Angeles County.

The Honorable Board of Supervisors

6/4/2013

Page 4

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mg Southard". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

MARVIN J. SOUTHARD, D.S.W.

Director of Mental Health

MJS:RK:MM:RK:pd

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Chairperson, Mental Health Commission

CONTRACT NO. _____

AMENDMENT NO. x

THIS AMENDMENT is made and entered into this ____ day of _____, 2013, by and between the COUNTY OF LOS ANGELES (hereafter "County") and (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated June 6, 2012, identified as County Agreement No. MHxxxxx, as subsequently amended (hereafter "Agreement"); and

WHEREAS, County and Contractor executed Agreement to provide mental health services to severely and persistently mentally ill adults, seriously emotionally disturbed (SED) children, adolescents, and their families throughout the County of Los Angeles; and

WHEREAS, there remains a need for such services, and Agreement is due to expire on June 30, 2013; and

WHEREAS, County anticipates implementing the Affordable Care Act; and

WHEREAS, County anticipates in the near future superseding all Legal Entity Agreements, including this Agreement, to reflect the changes associated with the Affordable Care Act implementation; and

WHEREAS, County and Contractor intend in the meantime to extend the term of Agreement for one additional year; and

WHEREAS, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, for FY 2013-14, County and Contractor intend to amend Agreement to extend the term effective July 1, 2013 through June 30, 2014 ; and

WHEREAS, the Maximum Contract Amount (MCA) for FY 2013-14 will be \$_____.

NOW THEREFOR, County and Contractor agree that Agreement shall be amended only as follows:

1. Extend the term of the Agreement effective July 1, 2013 through June 30, 2014. The MCA for FY 2013-14 is \$_____.

2. Paragraph 1.0 (TERM), Subparagraph B. (Automatic Renewal Period(s)) shall be revised and the following shall be added:

“ (3) Third Automatic Renewal Period: The Agreement may be extended and the Third Automatic Renewal Period shall commence on July 1, 2013 and shall continue in full force and effect through June 30, 2014. ”

3. Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, A (GENERAL), Paragraph (5) shall be deleted in its entirety and the following substituted therefor:

“(5) The Countywide Maximum Allowances (CMA) are in effect during the Initial Period, the First Automatic Renewal Period, Second Automatic Renewal Period, or the Third Automatic Renewal Period or any part thereof, and shall be applicable to this Agreement as of the date adopted by.”

4. Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, B (LIMITATIONS ON MAXIMUM REIMBURSEMENT), Paragraphs (1) and (2) shall be deleted in their entirety and the following substituted therefor:

“B. LIMITATIONS ON MAXIMUM REIMBURSEMENT

(1) The total maximum reimbursement that will be paid by County to Contractor under this Agreement shall be, in no event, more than the Maximum Contract Amount for the Initial Period, First Automatic Renewal Period, Second Automatic Renewal Period, and the Third Automatic Renewal Period, respectively, of this Agreement.

(a) In addition to the general limitation of Paragraph B (1) of this Financial Exhibit A, in no event shall the maximum reimbursement that will be paid by County to Contractor under this Agreement for any Funded Program be more than the amount identified as the Funded Program Amount for each Funded Program, as provided on the Financial Summary for the Initial Period, First Automatic Renewal Period, Second Automatic Renewal Period, and the Third Automatic Renewal Period, respectively, of this Agreement.

(2) Contractor shall immediately provide written notice to the County when, based on the Contractor's own internal records, it has billed for services/activities under this Agreement in an amount equal to 75 percent (75%) of the total Maximum Contract Amount or 75 % of the Funded Program Amount(s) during the Initial Period, First Automatic Renewal Period, Second Automatic Renewal Period, and the Third Automatic Renewal Period of this Agreement.

(a) Contractor shall send such notice to those persons and addresses which are set forth in the DMH Legal Entity Agreement, Paragraph 65 (NOTICES).

(b) Failure of Contractor to comply with this Paragraph B (2) will be considered a breach of this Agreement.

5. D (REIMBURSEMENT IF AGREEMENT IS AUTOMATICALLY RENEWED) shall be revised and the following added:

“(3) Reimbursement for Third Automatic Renewal Period: The Maximum Contract Amount for the Third Automatic Renewal Period of this Agreement as described in Paragraph 1 (TERM) of the DMH Legal Entity Agreement shall not exceed _____ DOLLARS (\$) and shall consist of Funded Programs as shown on the Financial Summary.”

6. Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, G (COUTNY PAYMENT FOR SERVICES RENDERED), Paragraph (1) shall be deleted in its entirety and following substituted therefor:

“G. COUNTY PAYMENT FOR SERVICES RENDERED

(1) General: County agrees to reimburse Contractor for services rendered under Funded Programs during the term of this Agreement based on the provisional rates agreed to by the County for the Initial Period, First Automatic Renewal Period, Second Automatic Renewal Period, and the Third Automatic Renewal Period, respectively, subject to all of the rules, regulations and policies established by the County, State and/or federal governments regarding payment and reimbursement of services, and in accordance with the terms of this Agreement.”

7. Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, N (CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ACTIVITIES TO BE RENDERED), Paragraph (2) shall be deleted in its entirety and the following substituted therefore:

“(2) For each month of each period of this Agreement, County will reimburse Contractor based upon Contractor’s submitted claims for rendered services/activities subject to claim edits, and future settlement and audit processes. However, for each month of the first three (3) months, of the Initial Term, the First Automatic Renewal Period, Second Automatic Renewal Period, or the Third Automatic Renewal Period, Contractor may request in writing from County a monthly County General Fund CFA as herein described.”

8. Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, V (CONTRACTOR REQUESTED CHANGES), Paragraph (2), Subparagraph (b) shall be deleted in its entirety and the following substituted therefore:

“(b) Requests received after the Contractor has rendered services in excess of the Maximum Contract Amount, or the Funded Program Amount, will only be considered on a prospective basis for payment of services rendered after the effective date of any executed amendment. The County shall not be responsible for payment, nor otherwise be liable for, services/activities that Contractor provided in excess of the Maximum Contract Amount or the Funded Program Amount during any part of the Initial Period, First Automatic Renewal Period, Second Automatic Renewal Period, or the Third Automatic Renewal Period, respectively.”

9. Financial Summary for FY 2013-14 is attached and incorporated herein.
10. Financial Summary Subprogram Schedule for FY 2013-14 is attached and incorporated herein.

11. Contractor shall provide services in accordance with Contractor's FY 2012-13 Negotiation Package for this Agreement and any addenda thereto approved in writing by County's Director of Mental Health or his designee.
12. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by County's Director of Mental Health or his designee, and Consultant has caused this Amendment to be subscribed on its behalf by its duly authorized officer, on the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

CONTRACTOR

By _____

Name _____

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development
and Administration Division

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH
Contracts Development and Administration Division

ATTACHMENT B

34 LEGAL ENTITY MENTAL HEALTH SERVICES AGREEMENTS EXTENSION FOR FY 2013-14

Item No.	CONTRACTOR Legal Entity (LE) No.	Sup. Dist. (HQ)	MAXIMUM CONTRACT AMOUNT (MCA)
			FY 2013-14
1	Child and Family Guidance Center 9650 Zelzah Avenue Northridge, CA 91325-2003 LEGAL ENTITY (LE) # 00207	3	\$24,895,402
2	The Children's Center of the Antelope Valley 45111 Fern Avenue Lancaster, CA 93534 LEGAL ENTITY (LE) # 01066	5	\$1,099,950
3	Community Family Guidance Center 10929 South Street, Suite 208B Cerritos, CA 90703 LEGAL ENTITY (LE) # 00181	4	\$4,880,767
4	Counseling4Kids 601 South Glenoaks Boulevard, Suite 200 Burbank, CA 91502 LEGAL ENTITY (LE) # 00694	5	\$5,903,636
5	David & Margaret Home, Inc. 1350 Third Street La Verne, CA 91750 LEGAL ENTITY (LE) # 01227	5	\$2,028,349
6	Dignity Health dba California Hospital Medical Center 1401 South Grand Avenue Los Angeles, CA 90015 LEGAL ENTITY (LE) # 01285	1	\$1,101,784
7	El Centro del Pueblo, Inc. 1157 Lemoyne Street Los Angeles, CA 90026 LEGAL ENTITY (LE) # 01250	1	\$690,741
8	Emotional Health Association dba SHARE! The Self-Help and Recovery Exchange 6666 Green Valley Circle Culver City, CA 90230 LEGAL ENTITY (LE) # 01311	2	\$2,184,932 *
9	Exceptional Children's Foundation 8740 Washington Boulevard Culver City, CA 90232 LEGAL ENTITY (LE) # 01567	2	\$1,009,854
10	Filipino-American Service Group, Inc. 135 North Park View Street Los Angeles, CA 90026 LEGAL ENTITY (LE) # 00302	1	\$21,134
11	The Guidance Center 4335 Atlantic Boulevard Long Beach, CA 90807 LEGAL ENTITY (LE) # 00191	4	\$11,622,980
12	Hamburger Home dba Aviva Family and Children's Services dba Aviva Center 7120 Franklin Avenue Los Angeles, CA 90046 LEGAL ENTITY (LE) # 00174	3	\$10,936,009
13	Heritage Clinic and The Community Assistance Program For Seniors 447 North El Molino Avenue Pasadena, CA 91101 LEGAL ENTITY (LE) # 00965	5	\$3,652,121
14	Hillview Mental Health Center, Inc. 12450 Van Nuys Boulevard, Suite 200 Pacoima, CA 91331-1352 LEGAL ENTITY (LE) # 00194	3	\$10,374,787
15	The Institute for the Redesign of Learning 205 Pasadena Avenue South Pasadena, CA 91030 LEGAL ENTITY (LE) # 00171	5	\$10,142,802
16	JWCH Institute, Inc. 1910 West Sunset Boulevard, Suite 650 Los Angeles, CA 90026-3290 LEGAL ENTITY (LE) # 01563	1	\$1,861,282

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH
Contracts Development and Administration Division

ATTACHMENT B

34 LEGAL ENTITY MENTAL HEALTH SERVICES AGREEMENTS EXTENSION FOR FY 2013-14

Item No.	CONTRACTOR Legal Entity (LE) No.	Sup. Dist. (HQ)	MAXIMUM CONTRACT AMOUNT (MCA)
			FY 2013-14
17	LeRoy Haynes Center for Children and Family Services, Inc. 233 West Baseline Road La Verne, CA 91750 LEGAL ENTITY (LE) # 00697	5	\$2,913,980
18	Maryvale 7600 East Graves Avenue Rosemead, CA 91770 LEGAL ENTITY (LE) # 01034	1	\$2,536,558
19	McKinley Children's Center, Inc. 762 West Cypress Street San Dimas, CA 91773-3599 LEGAL ENTITY (LE) # 00971	5	\$3,358,342
20	Mental Health America of Los Angeles 100 West Broadway, Suite 5010 Long Beach, CA 90802 LEGAL ENTITY (LE) # 00200	4	\$17,570,229 *
21	Pacific Asian Counseling Services 8616 La Tijera Boulevard, Suite 200 Los Angeles, CA 90045 LEGAL ENTITY (LE) # 00579	2	\$4,064,207
22	Pasadena Unified School District 351 South Hudson Avenue Pasadena, CA 91109 LEGAL ENTITY (LE) # 01228	5	\$2,343,957
23	Pediatric & Family Medical Center dba Eisner Pediatric & Family Medical Center 1500 South Olive Street Los Angeles, CA 90015 LEGAL ENTITY (LE) # 00711	1	\$951,587
24	PROTOTYPES, Centers for Innovation in Health, Mental Health and Social Services 1000 North Alameda Street, Suite 390 Los Angeles, CA 90012 LEGAL ENTITY (LE) # 00838	1	\$6,770,367
25	Providence Community Services, LLC 4281 Katella Avenue, Suite 201 Los Alamitos, CA 90720 LEGAL ENTITY (LE) # 00801	N/A	\$6,706,184
26	San Fernando Valley Community Mental Health Center, Inc. 6842 Van Nuys Boulevard, 6th Floor Van Nuys, CA 91405 LEGAL ENTITY (LE) # 00208	3	\$31,453,103
27	South Bay Children's Health Center Association, Inc. 410 South Camino Real Redondo Beach, CA 90277 LEGAL ENTITY (LE) # 00213	4	\$812,920
28	South Central Health and Rehabilitation Program (SCHARP) 2610 Industry Way, Suite A Lynwood, CA 90262 LEGAL ENTITY (LE) # 00506	2	\$9,799,519
29	Southern California Alcohol and Drug Programs, Inc. 11500 Paramount Boulevard Downey, CA 90241 LEGAL ENTITY (LE) # 01738	4	\$200,000
30	Tessie Cleveland Community Services Corporation 8019 South Compton Avenue Los Angeles, CA 90001 LEGAL ENTITY (LE) # 01379	2	\$7,439,992
31	The Village Family Services 6736 Laurel Canyon Boulevard, Suite 200 North Hollywood, CA 91606 LEGAL ENTITY (LE) # 01224	3	\$5,163,501
32	VIP Community Mental Health Center, Inc. (VIP CMHC) 1721 Griffin Avenue Los Angeles, CA 90031 LEGAL ENTITY (LE) # 01044	1	\$7,347,296

34 LEGAL ENTITY MENTAL HEALTH SERVICES AGREEMENTS EXTENSION FOR FY 2013-14

Item No.	CONTRACTOR Legal Entity (LE) No.	Sup. Dist. (HQ)	MAXIMUM CONTRACT AMOUNT (MCA)
			FY 2013-14
33	Watts Labor Community Action Committee - WLCAC 10950 South Central Avenue Los Angeles, CA 90059 LEGAL ENTITY (LE) # 00310	2	\$279,514
34	WISE & Healthy Aging 1527 4th Street, 2nd Floor Santa Monica, CA 90401 LEGAL ENTITY (LE) # 01559	3	\$380,251
			\$202,498,037

* Includes One-time Innovation Program funds that will expire on June 30, 2014
SK:34 LE Agreements Extension Listing FY 2013-14



LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH
550 S. VERMONT AVE., LOS ANGELES, CA 90020 HTTP://DMH.LACOUNTY.GOV



ATTACHMENT C

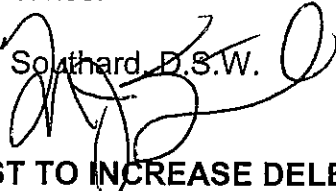
MARVIN J. SOUTHARD, D.S.W.
Director

ROBIN KAY, Ph.D.
Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director

May 1, 2013

TO: Each Supervisor

FROM: Marvin J. Southard, D.S.W.
Director 

SUBJECT: **REQUEST TO INCREASE DELEGATED AUTHORITY PERCENTAGE
IN THE BOARD LETTER TO EXTEND 34 EXPIRING LEGAL ENTITY
AGREEMENTS FOR MENTAL HEALTH SERVICES**

This memorandum is to comply with Board Policy Manual, Section 5.120, Authority to Approve Increases to Board Approved Contract Amounts. The Policy mandates that any department requesting a percentage increase exceeding ten percent of the total contract amount must provide a detailed justification and advance written notice to your Board, with a copy to the Chief Executive Officer, at least two weeks prior to the Board meeting at which the proposed contract is to be presented.

With the additions of new funding streams, programs and services, the Department of Mental Health (DMH) requests an additional ten percent for a total of twenty percent delegated authority to increase the maximum contract amounts of the 34 expiring Legal Entity Agreements whose terms are being extended effective July 1, 2013, through June 30, 2014, with a provision for two one-year automatic renewal periods through Fiscal Year 2015-16. This authority will allow DMH greater capacity to amend contracts to implement these new funding streams, programs and services in a more expeditious manner. It will also allow DMH and its contract agencies to maintain business continuity in the provision of current mental health services to severely and persistently mentally ill adults, seriously emotionally disturbed children, adolescents, and their families throughout the County of Los Angeles. In most instances where speed and response time are of key importance, the increased delegated authority will allow DMH and its network of contract agencies to maximize, prioritize, and increase access to services on a continuous and ever-increasing basis to its ever-growing clientele, which more effectively meets the County's mission "To Enrich Lives Through Effective And Caring Service."

Should there be a need to exceed the twenty percent delegated authority, DMH will return to your Board with a request for authority to amend the contracts accordingly.

Each Supervisor
May 1, 2013
Page 2

If you have any questions or concerns please contact me, or your staff may contact Richard Kushi, Chief, Contracts Development and Administration Division, at (213) 738-4684.

MJS:MM:RK:SK:pdg

c: Executive Officer, Board of Supervisors
Chief Executive Officer
County Counsel
Robin Kay, Ph.D.
Margo Morales
Deputy Directors
District Chiefs
Kimberly Nall
Richard Kushi